DECLARATION OF HORIZONTAL PROPERTY REGIME
UNDER CHAPTER 514, HAWAII REVISED STATUTES

WHEREAS, KEPUHI PARTNERSHIP, a Hawaii partnership, hereinafter referred to as the "Declarant", is the owner in fee simple of the land described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Declarant intends to develop the Property as a condominium project (the "Project") as more specifically described herein in accordance with plans incorporated herein by reference, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map 2924.

NOW, THEREFORE, the Declarant hereby expresses a desire that the Property described herein be submitted to a Horizontal Property Regime as established by Chapter 514, Hawaii Revised Statutes, as amended, and hereby submits its interest herein to a Horizontal Property Regime, and in furtherance thereof makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declares that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the declarations, restrictions and conditions set forth herein and in Exhibit "A".
the Bylaws attached hereto as Exhibit "C" and made a part hereof as the same may from time to time be amended, which declarations, restrictions and conditions shall constitute each covenant running with the land, and shall be binding on and for the benefit of the parties hereto, their heirs, successors, executors, administrators and assigns, and all subsequent owners of all or any part of the Project and their respective heirs, successors, executors, administrators and assigns.

1. Name. The Horizontal Property Regime established hereby shall be known as WEST MOLOKAI RESORT CONDOMINIUM.

2. Land Description. The land submitted to the Horizontal Property Regime is described in Exhibit "A", attached hereto and made a part hereof. The land area is 364 square acres.

3. Description of the Project. The Project will consist of 148 condominium units contained in 21 separate buildings. The 148 condominium living units consist of:

(a) Six Type "A" buildings, two stories, with two studio and two one-bedroom units on each floor, eight units per building for a total of 24 Type "A" studios and 24 Type "A" one-bedroom units in the six buildings. Each Type "A" studio unit contains a living/sleeping area with kitchen facilities, a bathroom, dressing area and lanai. The total enclosed floor area is 378 square feet. The ground floor lanai area is 148 square feet and the second floor lanai area is 114 square feet. Each Type "B" one-bedroom unit contains a living area with kitchen facilities, bedroom, bathroom, dressing area and lanai. Total enclosed floor area is 565 square feet. The ground floor lanai area is 158 square feet and second floor lanai area is 95 square feet.
(b) Seven Type "B" buildings, two stories, with six studio units on each floor, 12 units per building, for a total of 84 Type "B" studio units in the seven buildings. Each Type "B" studio unit contains a living/sleeping area with kitchen facilities, bathroom, dressing area and lanai. The total enclosed floor area is 348 square feet and the lanai area is 94 square feet.

(c) Eight Type "C" buildings, one story, with two one-bedroom units per building, for a total of 16 Type "C" one-bedroom units in the eight buildings. Each Type "C" one-bedroom unit contains a living/dining area, kitchen facilities, bedroom, bathroom, dressing area, lanai and enclosed garden. Total enclosed floor area is 642 square feet and lanai area is 365 square feet.

(d) The location of each of the Apartments in the buildings and the location of the buildings on the land are shown on the Condominium Map. Each Apartment has access to the landscaped common area either at ground level or by an exterior stairway. The Apartment number of each of the Apartments is set forth on Exhibit "B" attached hereto and made a part hereof. The Apartments are constructed of wood on concrete slabs.

4. Limits of Apartments. The respective Apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each Apartment, or any pipes, wires, conduits or other utility lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as
hereinafter provided. Each Apartment shall include any adjacent lanai, including the railing of such lanai shown on the Condominium Map and serving only such Apartment. Each Apartment shall be deemed to include all the walls, and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, and the built-in fixtures. therein to such Apartment.

5. Common Elements. The common elements will include all portions of the land and improvements other than the Apartments, including the apartment buildings, the Land and all common elements mentioned in the Horizontal Property Act which are actually constructed on the Land described herein, and specifically shall include, but shall not be limited to:

(a) The Land in fee simple; common elements shall also be
(b) All foundations, floor slabs, structural members and framing, roofing, decking, and lanai railings;
(c) Stairs and access balconies; (d) All yards, landscaping, irrigation system and landscape lighting, e and paving of such Apartment, in the other common areas; (e) Maid's closets; (f) Walkways, and parking areas, within building for support; (g) All mechanical and electrical elements serving more than one unit, including water, electricity, telephone, gas, fire alarm system; (h) All recreational areas; (i) All other devices or installations upon the Land existing for or rationally of common use to all the owners of Apartments within the Project;
shall be limited. The term "common elements" shall include the limited common elements described below, to which their use is reserved and shall be limited. The common elements of each apartment building which serve only such building shall be limited common elements for the exclusive use of the Apartments in such building;

(b) Exterior staircases, access balconies, lanai railings, and entranceways shall be limited common elements.

7. Percentage of Undivided Interest. The percentage of undivided interest in the common elements appertaining to each Apartment shall be as set forth in Exhibit "B".

8. Easements. The Apartments and common elements shall also have and be subject to the following easements:

(a) Each Apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes as ingress to, egress from, and support, maintenance, and repair of such Apartment, in the other common elements for use according to their respective purposes, and in all other Apartments in the same building for support.

(b) If any part of the common elements now or hereafter encroaches upon any Apartment, or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event the apartment buildings
shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any Apartment, or of any Apartment upon any other Apartment, or upon any portion of the common elements due to construction, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist;

(c) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each Apartment from time to time during reasonable hours as may be necessary for the operation of the Project, or for making emergency repairs therein necessary to prevent damage to any Apartments or common elements;

(d) Each Apartment owner shall have an easement in common with the owners of all other Apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other Apartments or limited common elements serving his Apartment.

[Paragraph number 9: Alteration and Transfer of Interests]

The common interest and easements appurtenant to each Apartment shall have a permanent character, and shall not be altered without the consent of all of the Apartment owners affected expressed in an amendment to this Declaration duly recorded. The common interest and easement shall not be separated from the Apartment to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument.

10. Purposes. (a) The Apartments hereinabove
Hotel Management Contract (the "Contract") between Sheraton Hawaii Management Corporation and Kepuhi Partnership, acting as the "Owner", shall at all times be used as permanent or temporary residences, or as hotel rooms, and for no other purposes. The purpose of the Partnership and its successors.

(b) The owner of an Apartment shall not use or permit to be used nor shall the same which is attached hereto as Exhibit "D" and incorporated herein by reference, shall govern the Project for so long as such Contract or any extension or renewal thereof shall remain in effect.

Any provision required by the Contract to be included in this Declaration is hereby included with the same force and effect as if set forth herein verbatim. Specifically, and without limiting the generality of the foregoing, until the expiration of the first ten full fiscal years of hotel operations or the expiration of the director, however, it is the opinion of the Board of Directors of the Partnership is earlier terminated, every owner of an Apartment Association of Apartment Owners shall complete any structural alterations in the Project shall remain in the Partnership and no in or additions to the Apartment, or make any alterations in or to the exterior of the Apartment (including windows) unless otherwise provided in the supra-

pursuant to the Contract. The owner of any Apartment may withdraw from the Partnership upon the expiration of the first full fiscal years of hotel operations under the Contract, and may thereafter use the Apartment for residential purposes including, without limitation of the generality of the foregoing, renting the Apartment for periods of not less than thirty (30) days each. Certain provisions of the Contract concerning the management and use of the common elements, the Association of maintenance of the Project and others shall continue to apply to any Apartments that may be withdrawn from the Partnership throughout the term of the Contract. Upon the expiration of the original term of the Contract, the Contract may be renewed
from time to time by Sheraton Hawaii Management Corporation, its successors or assigns, and Keplahi Partnership for the use and benefit of the Partnership and its successors.

(b) The owner of an Apartment shall not use or operate the same for any purpose which will injure the Partnership and in addition to paragraph 10(a) shall also assume any functions of the anything to be done or kept in said Apartment or elsewhere which will jeopardize the soundness of the buildings, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the exterior stairways or entranceways, or which will increase the rate of fire and extended coverage insurance on the buildings, or the contents thereof, or which will reduce the value of the buildings.

(c) The owner of an Apartment shall not withdraw the prior written consent of the Board of Directors of the Association being operated as hotel rooms pursuant to the Contract. Association of Apartment Owners make any structural alterations in or additions to the Apartment, or make any alterations in or the exterior ten full fiscal years, and (iii) the hotel units and additions to the exterior of the Apartment (including awnings, commercial facilities located immediately Adjacent to the jalousies or screens) or to any other portion or portions of Project and included in the hotel operation pursuant to the common elements unless otherwise provided in the Bylaws.

11. Delegations to the Partnership. (a) notwithstanding anything to the contrary herein, for so long as any Apartment is used in the hotel operation contemplated in paragraph 10(a) of this Declaration, the Partnership shall assume:

(i) All of the rights, powers, authority and functions of the Board of Directors of the Association of Apartment Owners; and

(ii) All duties and obligations of owners of such Apartment imposed by Article V, Section 2 of the Bylaws regarding the maintenance of the Project other than the
obligation to pay the costs of such maintenance.

11. Maintenance of Partnership. If the Partnership
(b) Notwithstanding anything to the contrary herein, for so long as all Apartments are used in the hotel
Contract during the first ten full fiscal years of the hotel
operation contemplated in paragraph 10(a) of this Declaration,
operations, another limited partnership or other business
the Partnership named in such Paragraph 10(a) shall also assume
all of the rights, powers, authority and functions of the
Association of Apartment Owners;

(c) In exercising the powers and rights granted
to the Partnership by subparagraphs (a) and (b) of this para-
graph 11, the Partnership, while recognizing its duties to
owners of Apartments, shall nonetheless act for the benefit
of the Partnership;

(d) Kepuhi shall have the right and responsi-

bility to allocate all costs and expenses among (i) the Apart-
ments being operated as hotel rooms pursuant to the Contract,
shall be at the site of the Project, shall be the same for
(ii) any Apartments withdrawn from the hotel operation after
the first ten full fiscal years, and (iii) the hotel units and
Project and included in the hotel operation pursuant to the
buildings, a decision as to rebuilding a building shall be made
Contract to the extent these costs and expenses relate to more
by two thirds vote of the owners in the building so affected or
than one of these three groups. For example, formulas will
be established, except in the case of the common
have to be established and perhaps revised from time to time
areas, water, sewer, electricity charges (unless separately
metered) and similar expenses. The Partnership shall be
entitled to consult with accountants, engineers, attorneys and
others to assist it in arriving at formulas which will be equit-

able to all concerned and to charge the fees of such consultants
to the owners of the improvements included within each of these
three groups.

12. Maintenance of Partnership. If the Partnership is dissolved for any reason other than the termination of the Contract during the first ten full fiscal years of the hotel operations, another limited partnership or other business entity shall be formed by all the Apartment owners to assume all of the rights and obligations of the Partnership in or under the Contract and in this Declaration. All references to the Partnership herein shall include any successor limited partnership or other business entity.

13. Service of Process. Christian E. Varez, whose address is General Delivery, Maunaloa, Molokai, Hawaii, is hereby designated as the agent to receive service of process until such time as construction of the Project is completed, in which event, all of the at which time and thereafter the Partnership, whose address shall be at the site of the Project, shall be the agent for service of process. If such provision had never been in service of process.

14. Percentage of Votes Required for Rebuilding. In the event of damage or destruction of all or any part of the buildings, a decision not to rebuild a building shall be made by (i) a vote of the owners in the building so damaged or destroyed, owning at least eighty percent (80%) of the common interests appurtenant to the Apartments in such building and (ii) a vote of the owners of Apartments so damaged in such building owning at least eighty percent (80%) of the common interests appurtenant to the damaged Apartments in such building. That is to say, there shall be an affirmative obligation to rebuild in absence of a vote not to rebuild as herein provided. If more than one building is damaged or destroyed, the votes of twenty-five percent
of Apartment owners in each building shall be considered separately.

In the event of substantial damage or destruction of all or part of any other common elements on the land, the Hawaii Revised Statutes, however, the declarant reserves the percentage of votes which shall be determinative of whether there shall be an affirmative obligation to rebuild in absence of a vote not to rebuild as herein provided.

15. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such provision had never been included herein.

16. Bylaws. In furtherance of the provisions of this Declaration, Declarant hereby approves and adopts the Bylaws. Declarant hereby affirms that the property described in this Declaration shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved in accordance with the Bylaws. In the event of any discrepancy between a provision of this Declaration and a provision of the Bylaws, the provisions of this Declaration shall prevail.

17. Amendment. This Declaration of Horizontal Property Regime may be amended, consistent with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, by the vote of the owners of at least seventy-five percent (75%) of the interests in the common elements evidenced by
any instrument in writing, signed and acknowledged by two
officers of the Association of Apartment Owners, which
amendment shall be effective upon filing with the office of
the Assistant Registrar of the Land Court of the State of
Hawaii; provided, however, that the Declarant reserves the
right to amend this Declaration without the consent or joinder
of any Apartment owner in order to file an amendment pursuant
to the provisions of Section 514-13, Hawaii Revised Statutes,
as amended, after completion of the buildings described herein,
and attaching to such amendment a verified statement of a
registered architect certifying that the final plans therefo-
fore filed fully and actually depict the layout, location,
Apartment numbers and dimensions of the Apartments as built;
and provided further that during the term of the Contract
this Declaration or the Bylaws attached hereto shall not be
amended so as to be inconsistent with the Contract or to other-
wise adversely affect the interests of either Declarant or
Sheraton Hawaii Management Corporation.

18. Binding Effect. All of the covenants, agree-
ments and conditions herein contained shall extend to and be
binding upon the heirs, executors, administrators and assigns
of the respective parties hereto.

IN WITNESS WHEREOF, the undersigned has executed
this instrument this 17th day of September, 1976.

KEPUHI PARTNERSHIP

By WEST MOLOKAI VENTURE
Its Managing Partner

By
Shurl Curci
Its Managing Partner
On this 17th day of September, 1976, before me personally appeared SHURL CURCI, to me personally known, who being by me duly sworn did say that he is the Managing Partner of WEST MOLOKAI VENTURE, a Hawaii joint venture, which is the Managing Partner of KEPUHI PARTNERSHIP, a Hawaii partnership; that said instrument was signed on behalf of WEST MOLOKAI VENTURE as the Managing Partner of KEPUHI PARTNERSHIP; and acknowledged that he executed the same as his free act and deed.

[Signature]
Notary Public, First Judicial Circuit, State of Hawaii
My Commission expires: 8/31/76
All of that certain parcel of land situate at Kaluakoi and Iloilo, Island of Molokai, County of Maui, State of Hawaii, described as follows:

Lot 14, area 11.705 acres, as shown on Map 7, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1683 of Molokai Ranch, Limited, being the premises described in Transfer Certificate of Title No. 181,964 issued to Kepuhi Partnership, a Hawaii partnership.

EXHIBIT "A"
<table>
<thead>
<tr>
<th>Apt</th>
<th>APARTMENT NUMBERS OF APARTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1C</td>
<td>7C - 02 12B - 07 14A - 08</td>
</tr>
<tr>
<td>1C</td>
<td>8C - 01 12B - 08 15A - 01</td>
</tr>
<tr>
<td>2C</td>
<td>8C - 02 12B - 09 15A - 02 S</td>
</tr>
<tr>
<td>2C</td>
<td>9C - 01 12B - 10 15A - 03 S</td>
</tr>
<tr>
<td>3C</td>
<td>9C - 02 12B - 11 15A - 04</td>
</tr>
<tr>
<td>3C</td>
<td>10C - 01 12B - 12 15A - 05</td>
</tr>
<tr>
<td>4A</td>
<td>10C - 02 13B - 01 15A - 06 S</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 01 13B - 02 15A - 07 S</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 02 13B - 03 15A - 08</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 03 13B - 04 16B - 01</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 04 13B - 05 16B - 02</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 05 13B - 06 16B - 03</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 06 13B - 07 16B - 04</td>
</tr>
<tr>
<td>4A</td>
<td>11B - 07 13B - 08 16B - 05</td>
</tr>
<tr>
<td>5A</td>
<td>11B - 08 13B - 09 16B - 06</td>
</tr>
<tr>
<td>5A</td>
<td>11B - 09 13B - 10 16B - 07</td>
</tr>
<tr>
<td>5A</td>
<td>11B - 10 13B - 11 16B - 08</td>
</tr>
<tr>
<td>5A</td>
<td>11B - 11 13B - 12 16B - 09</td>
</tr>
<tr>
<td>5A</td>
<td>11B - 12 14A - 01 16B - 10</td>
</tr>
<tr>
<td>5A</td>
<td>12B - 01 14A - 02 S 16B - 11</td>
</tr>
<tr>
<td>5A</td>
<td>12B - 02 14A - 03 S 16B - 12</td>
</tr>
<tr>
<td>5A</td>
<td>12B - 03 14A - 04 17B - 01</td>
</tr>
<tr>
<td>6C</td>
<td>12B - 04 14A - 05 17B - 02</td>
</tr>
<tr>
<td>6C</td>
<td>12B - 05 14A - 06 S 17B - 03</td>
</tr>
<tr>
<td>7C</td>
<td>12B - 06 14A - 07 S 17B - 04</td>
</tr>
<tr>
<td>Apartment Numbers of Apartments</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>17B - 05</td>
<td>19B - 10</td>
</tr>
<tr>
<td>17B - 06</td>
<td>19B - 12</td>
</tr>
<tr>
<td>17B - 07</td>
<td>20B - 01</td>
</tr>
<tr>
<td>17B - 08</td>
<td>20B - 03</td>
</tr>
<tr>
<td>17B - 09</td>
<td>20B - 05</td>
</tr>
<tr>
<td>17B - 10</td>
<td>20B - 07</td>
</tr>
<tr>
<td>17B - 11</td>
<td>20B - 09</td>
</tr>
<tr>
<td>17B - 12</td>
<td>20B - 11</td>
</tr>
<tr>
<td>18A - 01</td>
<td>21A - 01</td>
</tr>
<tr>
<td>18A - 02 S</td>
<td>21A - 03 S</td>
</tr>
<tr>
<td>18A - 03 S</td>
<td>21A - 05</td>
</tr>
<tr>
<td>18A - 04</td>
<td>21A - 07 S</td>
</tr>
<tr>
<td>18A - 05</td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>No. Units</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>A - Studio</td>
<td>24</td>
</tr>
<tr>
<td>A - 1 Bedroom</td>
<td>24</td>
</tr>
<tr>
<td>B - Studio</td>
<td>84</td>
</tr>
<tr>
<td>C - 1 Bedroom</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>148</strong></td>
</tr>
</tbody>
</table>